



**BILLING CODE 3410-DM-P**

**DEPARTMENT OF AGRICULTURE**

**Food Safety and Inspection Service**

**[Docket No. FSIS-2018-0039]**

**The Public Health Information System (PHIS) Export Component Fee**

**AGENCY:** Food Safety and Inspection Service, USDA.

**ACTION:** Notice.

**SUMMARY:** The Food Safety and Inspection Service (FSIS) is announcing that starting June 1, 2019, it will assess a fee to exporters that choose to apply for export certificates electronically through the export component of the Agency's Public Health Information System (PHIS). FSIS is only using the PHIS export component for a limited number of countries at this time.

**DATES:** FSIS will charge the fee announced in this notice beginning June 1, 2019.

**FOR FURTHER INFORMATION CONTACT:**

Roberta Wagner, Assistant Administrator, Office of Policy and Program Development; Telephone: (202) 205-0495.

**SUPPLEMENTARY INFORMATION:**

**Background**

On June 29, 2016, the Food Safety and Inspection Service (FSIS) published the final rule, "Electronic Export Application and Certification Charge; Flexibility in the Requirements for

Export Inspection Marks, Devices, and Certificates; Egg Products Export Certification" (81 FR 42225). The preamble to the final rule explained that FSIS would implement an electronic export application and certification system available through the Agency's PHIS export component. The electronic export application and certification process provides service options to U.S. exporters, enabling them to electronically submit, track, and manage their export applications. To cover the costs of providing this service, the final rule established a formula-based fee for electronic export applications.

The applicability date of the export application and certification provisions provided in the final rule was June 29, 2017. The final rule stated that, on an annual basis, the Agency would update the fee and publish the new fee in the **Federal Register**.

On September 4, 2017, FSIS published a **Federal Register** notice (FRN), "Public Health Information System (PHIS) Export Component Country Implementation" (FR 82 42056). The notice announced that, in response to stakeholder feedback and to ensure sufficient testing and outreach, the Agency extended the implementation date of the PHIS export component to June 29, 2018.

The Agency also announced that it would implement the PHIS export component with a limited number of foreign countries and

would expand implementation to add countries incrementally. In addition, FSIS stated that it would assess the fee no sooner than January 1, 2019, and would recalculate the fee based on the best available estimates for costs and number of applications.

Under the authority of the Agricultural Marketing Act, FSIS will continue to make certifications regarding exported meat and poultry products meeting conditions or standards that are not imposed, or that are in addition to those imposed, by U.S. meat and poultry regulations, the Federal Meat Inspection Act (FMIA), or the Poultry Product Inspection Act (PPIA) (9 CFR 350.3(b) and 362.2(b)). FSIS collects fees and charges from establishments and facilities that request certification service in addition to the basic export certification of wholesomeness (9 CFR 350.7 and 362.5).

#### **Electronic Export Application Formula Update**

As published in the final rule, the Electronic Export Application Fee Formula is:

Labor Cost (Technical Support + Export Library Maintenance) + IT Cost (Ongoing Operations and Maintenance + eAuthentication)

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Number of Export Applications

To determine the June 2019 electronic export application fee, FSIS has updated the labor costs and IT costs in the

formula numerator. FSIS stated in the 2016 final rule and the 2017 **Federal Register** notice that it would update and recalculate the fee based on the best available estimates for costs and number of applications; however, the number of export applications (the denominator in the formula) cannot be accurately assessed until a majority of countries are using the export component. The current number of export applications is an estimate based on a survey conducted by FSIS's Office of Field Operations in June 2013 (81 FR 42230) of the certificates issued, which likely is an overestimate of the number of export certificates that will be issued in Fiscal Year (FY) 2019 via the PHIS export component. The overestimate of the number of export applications results in an underestimate of the initial fee that will be assessed starting June 1, 2019. Therefore, using the codified formula above, FSIS is updating the numerator. The denominator (the number of export applications) remains unchanged.

The 2019 Electronic Export Application Fee:

$$\begin{aligned}
 & \frac{\text{Labor Cost } (\$560,901.60 + [\$337,369]) + \text{IT Cost } (\$1,414,285.60 + \$0)}{576,192} \\
 & = \$4.01
 \end{aligned}$$

The following discussion provides an explanation of the costs of providing the PHIS export component:

- **Technical Support Costs:** As noted in the final export rule and September 2017 **Federal Register** notice, technical support costs consist of activities like resolving user problems with the electronic application services, identifying web browser compatibility issues, and resolving access issues to authorized areas of the system (FR 82 42056). The updated total technical support cost estimate is \$560,901.60, which includes total yearly cost for a Help Desk Specialist (\$278,553.60); total yearly cost for one Tier III Support Business Analyst from FSIS' PHIS Support Services Contract for the export component (\$141,174); and total yearly cost for one Tier III Senior Business Analyst for the PHIS Production Version of the export component (\$141,174).
- **Export Library Maintenance Cost:** The cost for funding two full-time employees to provide export library functions is \$337,369. Export library maintenance supports the PHIS export component and includes the writing, testing, and maintenance of complex business rules for evaluating the export application that is

submitted into the PHIS export system. The business rules allow the system to determine product eligibility before the system accepts the application and transmits it to inspection program personnel. The business rules also facilitate the type of export certification required by the foreign government that will be issued when the application is accepted. This work supports the PHIS export component and is not part of current export library functions. In addition, there will be continuous updates to the system.

- On-going Operations and Maintenance Costs: As noted in the final export rule and September 2017 **Federal Register** notice, the cost of providing on-going operations and maintenance covers activities, such as modifying the application based on changes in requirements or user needs; adding functionality based on foreign regulatory changes; upkeep of the system to ensure a secure operating environment that protects the data, improvements and necessary repairs to keep the system responsive to users' needs; and costs to operate the system's components (FR 82 42056). The updated Operations and Maintenance costs is \$1,414,285.60, based on a fixed price contract for ongoing PHIS development, operations, and maintenance. This cost may increase in

future years based on whether the Government Services Administration (GSA) schedule increases in labor rates and other factors.

- eAuthentication costs: Consistent with the final export rule and September 2017 **Federal Register** notice, the cost of providing eAuthentication will remain zero when FSIS begins assessing the fee June 1, 2019.

eAuthentication is a single sign-on application that allows users to securely access multiple USDA applications, including the PHIS export component. To access the PHIS export component users need to register for a USDA eAuthentication account. To learn more about eAuthentication and how to register for an account, visit <https://www.eauth.usda.gov>.

### **E-Government Act**

FSIS and the U.S. Department of Agriculture (USDA) are committed to achieving the purposes of the E-Government Act (44 U.S.C. 3601, *et seq.*) by, among other things, promoting the use of the Internet and other information technologies and providing increased opportunities for citizen access to Government information and services, and for other purposes.

## **Additional Public Notification**

Public awareness of all segments of rulemaking and policy development is important. Consequently, FSIS will announce this **Federal Register** publication and officially notify the World Trade Organization's Committee on Sanitary and Phytosanitary Measures (WTO/SPS Committee) in Geneva, Switzerland, of this proposal on-line through the FSIS Web page located at:

<http://www.fsis.usda.gov/federal-register>.

FSIS also will make copies of this publication available through the FSIS Constituent Update, which is used to provide information regarding FSIS policies, procedures, regulations, **Federal Register** notices, FSIS public meetings, and other types of information that could affect or would be of interest to our constituents and stakeholders. Constituent Updates are available on the FSIS Web page. Through the Web page, FSIS is able to provide information to a much broader, more diverse audience. In addition, FSIS offers an e-mail subscription service which provides automatic and customized access to selected food safety news and information. This service is available at:

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Done at Washington, DC.

**Carmen M. Rottenberg,**

*Administrator.*

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